

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 5321]
April 3, 1963

Treasury Gives Competitive Bidders for Bonds
Choice of 4 or 4 $\frac{1}{8}$ Percent Coupon Interest Rate

To All Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

The following statement was made public today by the Treasury Department:

Treasury Secretary Douglas Dillon today announced that bidders will be offered the option of bidding upon either a 4 percent or 4 $\frac{1}{8}$ percent coupon rate for the \$300,000,000 Treasury Bonds of 1989-94. Each bidder may submit only one bid, which must specify one of these two coupon rates. The successful bidder will be required to make a *bona fide* reoffering of all the bonds to the investing public.

This is the second offering of bonds at competitive bidding. In the first such offering, which took place in January of this year, bidders were offered the same choice of coupons, 4 percent or 4 $\frac{1}{8}$ percent. The winning bid was for a 4 percent coupon at a price which resulted in a net basis cost of money to the Treasury of 4.008 percent.

As previously announced, bidders must file a Notice of Intent to Bid at the Federal Reserve Bank of New York not later than 12 noon, Eastern Standard time, on April 5, 1963. Final bids must be received at the same place not later than 11 a.m., Eastern Standard time, on Tuesday, April 9, 1963.

The bonds will mature on May 15, 1994, but may be called for payment on May 15, 1989, or any interest payment date thereafter. The bonds will be dated April 18, 1963. Interest will be payable on May 15 and November 15 of each year until the bonds mature or are called. The first interest coupon, payable November 15, 1963, will cover interest accrued between April 18, 1963 and November 15, 1963.

Payment for the bonds must be made in immediately available funds not later than 11 a.m., Eastern Standard time, on April 18, 1963.

ALFRED HAYES,
President.